

**REMARKS/ARGUMENTS**

Claims 1-14 are pending in the application. Claims 1 and 2 have been amended. Claim 8 is canceled. Support for the claims can be found in, for example, the bottom paragraph of Page 5 or FIG. 1. For example, the recited "video stream supplying section" can be any video source 1 such as illustrated in Fig. 1. No new matter has been introduced by virtue of the amendments.

The Action rejected claims 1-6 and 8 for allegedly being anticipated by Sato et al. (U.S. Patent Publication No. 2002/0106024). Features of claim 8 are incorporated into claim 1. Claim 8 is canceled without prejudice, and the rejection of claim 8 is thus moot. The claim rejections are overcome as follows.

Claim 1 has been amended to recite a video stream supplying section configured to supply a bit rate of the first image signal to the picture selector, the bit rate being set to compensate for an amount of code of the pictures which are not extracted in the picture selector. (Emphasis added). Independent claim 2 has been similarly amended.

Sato is related to an image information conversion apparatus and method by which picture quality deterioration caused by conversion from inputted MPEG2 image compression information into MPEG4 image compression information to be outputted is prevented. When an I picture of an MPEG2 bit stream is to be converted into a P-VOP of an MPEG4 bit stream based on an estimated value of the complexity for each VOP, a scene change detection section detects whether or not the I picture includes a scene change. If a scene change is detected by the scene change detection section, then a GOV structure determination section determines that conversion of the I picture of the MPEG2 bit stream into a P-VOP of an MPEG4 bit stream should not be performed. (Abstract).

The Action alleged that Sato's Paragraphs [0100] and [0111] teach the features recited in the amended claim 1. Applicant respectfully disagrees.

Paragraphs [0100] and [0111] merely disclose analyzing an average value Q over an entire frame of the quantization scale used for decoding processing and a total code amount (bit number) B allocated to the frame in the MPEG2 bit stream and storing the average value Q into the information buffer 19. Neither Paragraph [0100] nor Paragraph [0111] teaches or

suggests a bit rate being set to compensate for an amount of code of the pictures which are not extracted in the picture selector as recited in amended claim 1. Further, nothing in Sato's description or drawings shows a bit rate being set to compensate for an amount of code of the pictures which are not extracted in the picture selector.

Since Sato fails to teach or suggest the features recited in amended claim 1, claim 1 is not anticipated by Sato. Withdrawal of the rejection of claim 1 is respectfully requested.

Claims 3, 5 and 6 depend from claim 1. Claims 3, 5 and 6 are not anticipated by Sato by virtue of their dependencies.

Like claim 1, independent claim 2 is not anticipated by Sato. Withdrawal of the rejection of claim 2 is respectfully requested.

Claim 4 depends from claim 2 and is, therefore, not anticipated by Sato by virtue of dependency.

The Action also rejected claims 7 and 9-14 for allegedly being obvious over Sato in view of Okada (U.S. Patent Publication No. 2002/0181588).

Claim 7 and 9-14 depend from claim 1. Though disclosing various features, Okada fails to cure the deficiency of Sato, i.e., failure to disclose a bit rate being set to compensate for an amount of code of the pictures which are not extracted in the picture selector. Therefore, claims 7 and 9-14 are not obvious over the combined teachings of Sato and Okada. Withdrawal of the rejections of claim 7 and 9-14 is respectfully requested.

From the foregoing, reconsideration and withdrawal of the rejections of claims 1-7 and 9-14 are respectfully requested.

### CONCLUSION

In view of the foregoing, Applicant believes all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

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PATENT

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 858-350-6100.

Respectfully submitted,

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